

PUBLIC DEBT

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Administration	\$ 45,364	\$ 124,669	\$ 125,509	\$ 124,669
Arbitrage Rebate	8,221	1	1	1
Advanced Refunding of Bonds	0	1	1	1
Fourth State Building Bonds	17,850,673	18,709,008	18,588,821	18,588,821
Water Pollution Control Bonds	32,295,300	36,870,025	38,878,540	36,733,540
Stormwater Control Bonds	2,188,104	3,647,742	5,195,772	3,495,772
Third State Building Bonds	47,858,619	50,711,833	50,532,135	50,532,135
TOTAL				
General Revenue Fund	\$ 100,246,281	\$ 110,063,279	\$ 113,320,779	\$ 109,474,939
Full-time equivalent employees	1.40	1.40	1.40	1.40

POLICY SUMMARY

State of Missouri general obligation bond issues consistently have received the highest, "Triple A", ratings from Moody's Investors Service, Standard and Poor's Corporation, and Fitch IBCA Incorporated. Missouri is one of only nine states that has this rating from all three rating organizations. The other states are Minnesota, Georgia, Utah, Virginia, Maryland, Delaware, North Carolina, and South Carolina. General obligation bonds can only be issued through voter approved amendments to the state constitution. Currently outstanding general obligation bonds are for the four purposes identified below.

Water Pollution Control Bonds: Water pollution control bond proceeds help local governments construct wastewater and stormwater control facilities and improve public drinking water systems. These infrastructure improvements support local economic development, protect Missouri waterways from pollution, and help ensure safe drinking water supplies. As of December 2001, Missouri has issued, excluding refunding issuances, a total of \$514.5 million of the \$725 million authorized in water pollution control bonds. The Governor recommends a \$36.7 million general revenue transfer to the water pollution control bond and interest fund, and \$36.6 million for principal and interest payments on water pollution control bonds currently outstanding. There will be no new water pollution control bond issuance in Fiscal Year 2003.

Stormwater Control Bonds: In November 1998, Missouri voters approved a separate stormwater control bond issue of \$200 million for stormwater control plans, studies, and projects. As of December 2001, Missouri has issued a total of \$30 million of the \$200 million authorized in stormwater control bonds. The Governor recommends a \$3.5 million general revenue transfer to the stormwater control bond and interest fund, and \$3.5 million for principal and interest payments on stormwater control bonds currently outstanding. There will be no stormwater control bond issuance in Fiscal Year 2003.

Fourth State Building Bonds: In August 1994, Missouri voters approved a fourth state building bond issue to provide essential prison capacity, new residential beds for juvenile offenders, and significant new higher education construction and renovation. The Governor recommends an \$18.6 million general revenue transfer to the fourth state building bond and interest fund, and \$18.7 million for principal and interest payments on fourth state building bonds currently outstanding. With the final \$50 million issuance on June 1, 1998, all \$250 million in fourth state building bonds authorized by Missouri voters was issued.

Third State Building Bonds: The Governor recommends a \$50.5 million general revenue transfer to the third state building bond interest and sinking fund, and \$50.7 million for principal and interest payments on third state building bonds currently outstanding. With the final \$75 million issuance on December 1, 1987, all \$600 million in third state building bonds authorized by Missouri voters in 1982 was issued.

PUBLIC DEBT

ADMINISTRATION OF PUBLIC DEBT

The Board of Fund Commissioners administers the bonded indebtedness of the state. The board is comprised of the following members pursuant to Section 33.300, RSMo: Governor, Lt. Governor, Attorney General, State Auditor, State Treasurer, and Commissioner of Administration. Administrative expenses are associated with the sale and processing of the state's general obligation bonds. The board directs the payment of principal and interest on state debt and processes the redemption and cancellation of state bonds. Each of the general obligation bonds issued by the State of Missouri is rated "Triple A" by Moody's Investors Service, Standard and Poor's Corporation, and Fitch IBCA Incorporated.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level.

ARBITRAGE REBATE COSTS

The Board of Fund Commissioners is obligated to repay to the United States Treasury excess interest earnings on water pollution control bonds, stormwater control bonds, third state building bonds, and fourth state building bonds.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level on an open-ended basis to accommodate possible additional costs.

ADVANCED REFUNDING OF BONDS

The Board of Fund Commissioners authorized the advanced refunding of several outstanding series of water pollution control and third state building bonds. Due to refundings in the past several years, the state will realize a savings of \$111.2 million over the life of the bonds.

Fiscal Year 2003 Governor's Recommendations

Continue funding at the current level on an open-ended basis to accommodate possible additional costs.

FOURTH STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$250 million in fourth state building bonds under the provisions of Article III, Section 37, Missouri Constitution to be used for capital improvement projects at state facilities and higher education institutions. Bond sales were authorized by the General Assembly in Fiscal Year 1995, and bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$50 million on June 1, 1998, all \$250 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on fourth state building bonds now outstanding. The money is transferred from general revenue to the fourth state building bond and interest fund one year in advance of its appropriation.

Fiscal Year 2003 Governor's Recommendations

- \$18,588,821 for the transfer of general revenue for debt service on fourth state building bonds currently outstanding.

PUBLIC DEBT

SUMMARY OF FOURTH STATE BUILDING BOND ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded</u>	<u>Principal Outstanding As of 1/1/02</u>
Series A 1995	2020	\$ 75,000,000	\$ 9,885,000	\$ 0	\$ 65,115,000
Series A 1996	2022	125,000,000	14,485,000	0	110,515,000
Series A 1998	2023	<u>50,000,000</u>	<u>3,575,000</u>	<u>0</u>	<u>46,425,000</u>
Total		\$ 250,000,000	\$ 27,945,000	\$ 0	\$ 222,055,000

FOURTH STATE BUILDING BONDS COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1996	\$ 1,380,000.00	\$ 4,311,020.00	\$ 5,691,020.00
1997	1,480,000.00	7,773,776.25	9,253,776.25
1998	4,260,000.00	11,177,882.50	15,437,882.50
1999	5,625,000.00	13,406,382.50	19,031,382.50
2000	5,900,000.00	13,077,082.50	18,977,082.50
2001	6,160,000.00	12,716,357.50	18,876,357.50
2002	6,470,000.00	12,339,770.00	18,809,770.00
2003	6,765,000.00	11,944,007.50	18,709,007.50
2004	7,080,000.00	11,508,820.00	18,588,820.00
2005	7,410,000.00	11,053,195.00	18,463,195.00
2006	7,765,000.00	10,592,438.76	18,357,438.76
2007	8,150,000.00	10,164,220.02	18,314,220.02
2008	8,555,000.00	9,728,082.52	18,283,082.52
2009	8,990,000.00	9,285,450.02	18,275,450.02
2010	9,455,000.00	8,802,800.02	18,257,800.02
2011	9,955,000.00	8,296,985.02	18,251,985.02
2012	10,480,000.00	7,754,135.02	18,234,135.02
2013	11,050,000.00	7,179,182.52	18,229,182.52
2014	11,655,000.00	6,563,593.77	18,218,593.77
2015	12,290,000.00	5,911,592.52	18,201,592.52
2016	12,975,000.00	5,222,711.27	18,197,711.27
2017	13,695,000.00	4,501,356.26	18,196,356.26
2018	14,465,000.00	3,747,462.50	18,212,462.50
2019	15,270,000.00	2,944,718.75	18,214,718.75
2020	16,125,000.00	2,087,831.25	18,212,831.25
2021	11,325,000.00	1,197,006.25	12,522,006.25
2022	11,950,000.00	565,725.00	12,515,725.00
2023	<u>3,320,000.00</u>	<u>166,000.00</u>	<u>3,486,000.00</u>
TOTAL	\$ 250,000,000.00	\$ 214,019,585.22	\$ 464,019,585.22

PUBLIC DEBT

WATER POLLUTION CONTROL BONDS DEBT SERVICE

Missouri voters have authorized the state to sell \$725 million in water pollution control bonds under the provisions of Article III, Section 37, Missouri Constitution. Increments of bonds are then authorized by the General Assembly and issued on a cash-as-needed basis to fund wastewater treatment projects approved by the Missouri Clean Water Commission. Currently, \$514.5 million in bonds, excluding refunding issuances, have been issued. General revenue is transferred to the water pollution control bond and interest fund one year in advance of its appropriation for principal and interest payments.

Fiscal Year 2003 Governor's Recommendations

- \$36,733,540 for the transfer of general revenue for debt service on water pollution control bonds currently outstanding.

SUMMARY OF WATER POLLUTION CONTROL BOND ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded</u>	<u>Principal Outstanding As of 1/1/02</u>
Series A 1972	1997	\$ 20,000,000	\$ 20,000,000	\$ 0	\$ 0
Series A 1974	1999	8,000,000	8,000,000	0	0
Series B 1974	1995	15,000,000	15,000,000	0	0
Series A 1977	1997	31,494,240	31,494,240	0	0
Series A 1981	Refunded	20,000,000	3,060,000	16,940,000	0
Series A 1983	Refunded	20,000,000	3,585,000	16,415,000	0
Series B 1983	Refunded	10,000,000	375,000	9,625,000	0
Series A 1985	Refunded	20,000,000	425,000	19,575,000	0
Series A 1986	Refunded	60,000,000	13,600,000	46,400,000	0
Series B 1987	Refunded	35,000,000	4,305,000	30,695,000	0
Series A 1989	Refunded	35,000,000	7,720,000	27,280,000	0
Series A 1991	Refunded	35,000,000	7,650,000	27,350,000	0
Series A 1992	2018	35,000,000	7,370,000	0	27,630,000
Series A 1993	2019	30,000,000	5,805,000	0	24,195,000
Series A 1995	2020	30,000,000	3,955,000	0	26,045,000
Series A 1996	2022	35,000,000	4,055,000	0	30,945,000
Series A 1998	2023	35,000,000	2,505,000	0	32,495,000
Series A 1999	2025	20,000,000	905,000	0	19,095,000
Series A 2001	2026	20,000,000	0	0	20,000,000
Totals Excluding Refunding Issuances		\$ 514,494,240	\$ 139,809,240	\$ 194,280,000	\$ 180,405,000
Series A 1987 Refunding	Refunded	49,715,000	16,475,000	33,240,000	0
Series B 1991 Refunding	Refunded	17,435,000	6,080,000	11,355,000	0
Series C 1991 Refunding	2013	33,575,000	11,700,000	0	21,875,000
Series B 1992 Refunding	2011	50,435,000	13,830,000	0	36,605,000
Series B 1993 Refunding	2017	109,415,000	19,210,000	0	90,205,000
Totals Including Refunding Issuances		\$ 775,069,240	\$ 207,104,240	\$ 238,875,000	\$ 329,090,000

PUBLIC DEBT

**WATER POLLUTION CONTROL BONDS
COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1973	\$ 570,000.00	\$ 930,188.68	\$ 1,500,188.68
1974	485,000.00	986,240.00	1,471,240.00
1975	705,000.00	1,751,569.56	2,456,569.56
1976	1,105,000.00	2,145,455.00	3,250,455.00
1977	1,160,000.00	2,080,357.50	3,240,357.50
1978	2,129,240.00	3,259,522.70	5,388,762.70
1979	2,240,000.00	3,405,992.50	5,645,992.50
1980	2,355,000.00	3,278,505.00	5,633,505.00
1981	2,475,000.00	3,146,440.00	5,621,440.00
1982	3,135,000.00	4,730,807.06	7,865,807.06
1983	3,165,000.00	4,694,670.00	7,859,670.00
1984	3,580,000.00	6,591,015.00	10,171,015.00
1985	3,915,000.00	6,805,965.00	10,720,965.00
1986	4,325,000.00	8,378,860.00	12,703,860.00
1987	4,650,000.00	10,567,758.28	15,217,758.28
1988	4,840,000.00	11,131,392.44	15,971,392.44
1989	6,805,000.00	13,815,388.63	20,620,388.63
1990	7,225,000.00	14,573,892.38	21,798,892.38
1991	8,240,000.00	15,275,401.13	23,515,401.13
1992	8,770,000.00	14,529,565.51	23,299,565.51
1993	10,110,000.00	16,610,720.57	26,720,720.57
1994	11,540,000.00	15,670,014.33	27,210,014.33
1995	13,690,000.00	16,312,826.27	30,002,826.27
1996	13,880,000.00	17,131,521.28	31,011,521.28
1997	14,790,000.00	17,175,506.28	31,965,506.28
1998	12,605,000.00	17,258,681.28	29,863,681.28
1999	14,210,000.00	18,152,123.78	32,362,123.78
2000	14,525,000.00	17,798,035.65	32,323,035.65
2001	15,690,000.00	17,488,317.53	33,178,317.53
2002	16,375,000.00	17,663,053.78	34,038,053.78
2003	17,220,000.00	16,814,983.78	34,034,983.78
2004	18,255,000.00	15,906,787.53	34,161,787.53
2005	19,270,000.00	14,926,673.78	34,196,673.78
2006	20,295,000.00	13,890,920.03	34,185,920.03
2007	21,510,000.00	12,811,507.53	34,321,507.53
2008	22,705,000.00	11,663,164.41	34,368,164.41
2009	21,860,000.00	10,507,451.27	32,367,451.27
2010	20,800,000.00	9,372,883.14	30,172,883.14
2011	20,060,000.00	8,293,018.77	28,353,018.77
2012	15,800,000.00	7,349,671.27	23,149,671.27
2013	16,695,000.00	6,488,557.51	23,183,557.51
2014	14,540,000.00	5,664,225.01	20,204,225.01
2015	15,335,000.00	4,882,583.76	20,217,583.76
2016	13,230,000.00	4,131,470.01	17,361,470.01
2017	13,970,000.00	3,414,311.88	17,384,311.88
2018	12,205,000.00	2,721,181.25	14,926,181.25
2019	10,115,000.00	2,131,011.25	12,246,011.25
2020	8,405,000.00	1,642,548.75	10,047,548.75
2021	6,580,000.00	1,194,762.50	7,774,762.50
2022	6,925,000.00	840,562.50	7,765,562.50
2023	4,695,000.00	542,187.50	5,237,187.50
2024	2,490,000.00	299,525.00	2,789,525.00
2025	2,620,000.00	166,650.00	2,786,650.00
2026	1,325,000.00	66,250.00	1,391,250.00
TOTAL	\$ 536,194,240.00	\$ 459,062,675.55	\$ 995,256,915.55

Total principal includes refunding excess of \$21,700,000 which does not count toward the \$725 million constitutional authorization.

PUBLIC DEBT

STORMWATER CONTROL BONDS BUDGET YEAR ISSUANCE

Missouri voters have authorized the state to sell \$200 million in stormwater control bonds under the provisions of Article III, Section 37, Missouri Constitution. This appropriation provides principal and interest on stormwater control bonds to be authorized by the General Assembly. Currently, \$30 million in bonds have been issued. General revenue is transferred to the stormwater control bond and interest fund one year in advance of its appropriation for payment of principal and interest.

Fiscal Year 2003 Governor's Recommendations

- \$3,495,772 for the transfer of general revenue for debt service on storm water control bonds currently outstanding.

SUMMARY OF STORMWATER CONTROL BOND ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded</u>	<u>Principal Outstanding As of 1/1/02</u>
Series A 1999	2025	\$ 20,000,000	\$ 905,000	\$ 0	\$ 19,095,000
Series A 2001	2026	10,000,000	0	0	10,000,000
TOTAL		\$ 30,000,000	\$ 905,000	\$ 0	\$ 29,095,000

STORMWATER CONTROL BONDS COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2000	\$ 0.00	\$ 541,461.88	\$ 541,461.88
2001	445,000.00	1,070,352.51	1,515,352.51
2002	695,000.00	1,535,101.26	2,230,101.26
2003	725,000.00	1,500,161.26	2,225,161.26
2004	750,000.00	1,457,571.26	2,207,571.26
2005	780,000.00	1,411,921.26	2,191,921.26
2006	810,000.00	1,372,471.26	2,182,471.26
2007	845,000.00	1,336,188.76	2,181,188.76
2008	880,000.00	1,297,428.76	2,177,428.76
2009	915,000.00	1,254,666.88	2,169,666.88
2010	960,000.00	1,198,229.38	2,158,229.38
2011	1,000,000.00	1,141,332.51	2,141,332.51
2012	1,045,000.00	1,090,575.01	2,135,575.01
2013	1,095,000.00	1,038,418.76	2,133,418.76
2014	1,150,000.00	982,753.76	2,132,753.76
2015	1,210,000.00	923,558.76	2,133,558.76
2016	1,265,000.00	860,718.76	2,125,718.76
2017	1,330,000.00	794,369.38	2,124,369.38
2018	1,400,000.00	723,147.50	2,123,147.50
2019	1,470,000.00	647,747.50	2,117,747.50
2020	1,550,000.00	568,248.75	2,118,248.75
2021	1,630,000.00	484,225.00	2,114,225.00
2022	1,710,000.00	395,662.50	2,105,662.50
2023	1,795,000.00	302,687.50	2,097,687.50
2024	1,890,000.00	205,025.00	2,095,025.00
2025	1,990,000.00	102,150.00	2,092,150.00
2026	665,000.00	33,250.00	698,250.00
TOTAL	\$ 30,000,000.00	\$ 24,269,425.16	\$ 54,269,425.16

PUBLIC DEBT

THIRD STATE BUILDING BONDS DEBT SERVICE

Missouri voters approved \$600 million in third state building bonds to be used for capital improvement projects at state facilities and for specific types of local economic development projects under Article III, Section 37, Missouri Constitution. The General Assembly authorized issuance of \$75 million for Fiscal Year 1983, \$50 million for Fiscal Year 1984, \$75 million for Fiscal Year 1985, and \$400 million for Fiscal Year 1986. Bonds were then sold on a cash-as-needed basis to meet scheduled construction timetables. With the final sale of \$75 million on December 1, 1987, all \$600 million in voter-approved bonds have been issued.

This appropriation provides for principal and interest payments on third state building bonds now outstanding. The money is transferred from general revenue to the third state building bond interest and sinking fund one year in advance of its appropriation.

Fiscal Year 2003 Governor's Recommendations

- \$50,532,135 for the transfer of general revenue for debt service on third state building bonds currently outstanding.

SUMMARY OF THIRD STATE BUILDING BOND ISSUANCES

<u>Issuance</u>	<u>Final Maturity Fiscal Year</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Repaid</u>	<u>Principal Amount Refunded</u>	<u>Principal Outstanding As of 1/1/02</u>
Series A 1983	Refunded	\$ 40,000,000	\$ 7,165,000	\$ 32,835,000	\$ 0
Series B 1983	Refunded	35,000,000	1,325,000	33,675,000	0
Series A 1984	Refunded	50,000,000	1,870,000	48,130,000	0
Series A 1985	Refunded	75,000,000	1,625,000	73,375,000	0
Series A 1986	Refunded	325,000,000	73,645,000	251,355,000	0
Series B 1987	Refunded	<u>75,000,000</u>	<u>9,220,000</u>	<u>65,780,000</u>	<u>0</u>
Totals Excluding Refunding Issuances		\$ 600,000,000	\$ 94,850,000	\$ 505,150,000	\$ 0
Series A 1987 Refunding	Refunded	170,115,000	56,390,000	113,725,000	0
Series A 1991 Refunding	Refunded	34,870,000	11,935,000	22,935,000	0
Series B 1991 Refunding	2013	71,955,000	24,635,000	0	47,320,000
Series A 1992 Refunding	2011	273,205,000	74,235,000	0	198,970,000
Series A 1993 Refunding	2013	<u>148,480,000</u>	<u>45,465,000</u>	<u>0</u>	<u>103,015,000</u>
Totals Including Refunding Issuances		\$ 1,298,625,000	\$ 307,510,000	\$ 641,810,000	\$ 349,305,000

PUBLIC DEBT

THIRD STATE BUILDING BONDS COMPOSITE SCHEDULE OF DEBT SERVICE REQUIREMENTS

<u>FISCAL YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
1984	\$	470,000	\$	4,842,988	\$	5,312,988
1985		1,490,000		11,034,230		12,524,230
1986		2,270,000		17,725,713		19,995,713
1987		2,745,000		30,902,276		33,647,276
1988		5,865,000		36,209,165		42,074,165
1989		11,430,000		44,179,397		55,609,397
1990		12,280,000		43,153,872		55,433,872
1991		13,235,000		42,050,291		55,285,291
1992		14,230,000		37,998,667		52,228,667
1993		15,755,000		36,585,883		52,340,883
1994		17,280,000		32,547,323		49,827,323
1995		20,000,000		30,798,943		50,798,943
1996		21,550,000		29,172,939		50,722,939
1997		23,175,000		27,523,861		50,698,861
1998		23,985,000		25,883,931		49,868,931
1999		28,305,000		24,158,197		52,463,197
2000		30,345,000		22,248,060		52,593,060
2001		31,485,000		20,471,258		51,956,258
2002		31,615,000		18,933,313		50,548,313
2003		33,375,000		17,336,833		50,711,833
2004		34,880,000		15,652,135		50,532,135
2005		37,040,000		13,840,758		50,880,758
2006		38,855,000		11,876,855		50,731,855
2007		41,150,000		9,771,535		50,921,535
2008		43,470,000		7,532,953		51,002,953
2009		41,630,000		5,283,839		46,913,839
2010		36,400,000		3,234,306		39,634,306
2011		31,960,000		1,459,563		33,419,563
2012		5,085,000		482,738		5,567,738
2013		5,460,000		164,700		5,624,700
TOTAL	\$	656,815,000	\$	623,056,518	\$	1,279,871,518

Total principal includes refunding excess of \$56,815,000 which does not count toward the \$600 million constitutional authorization.

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